

Bashundhara Paper Mills Ltd ■



QUARTERLY FINANCIAL STATEMENTS
For the quarter ended 30 September 2019

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IAS 1.51(a) **BASHUNDHARA PAPER MILLS LIMITED**

IAS 1.10(a), (f) **Statement of financial position**

IAS 1.51(b),(c) **As at 30 September 2019**

IAS 1.113		Notes	30-Sep-19	30-Jun-18
IAS 1.51(d), (e)			Amount in Taka	
	ASSETS			
IAS 1.66	Non-current assets		15,773,192,945	15,729,748,506
IAS 1.54(a)	Property, plant and equipment, net		13,089,788,569	13,289,188,831
IAS 1.54(c)	Intangible Assets, net		164,894,961	166,798,327
IFRS 16	Right-of-use assets	2	50,970,494	-
IAS 1.54(a)	Capital work-in-progress		2,202,538,921	2,008,761,348
IAS 1.54(b)	Investment		265,000,000	265,000,000
IAS 1.66	Current assets		12,996,664,920	14,456,497,247
IAS 1.54(g)	Inventories		7,539,351,067	7,866,400,203
IAS 1.54(h)	Trade and other receivables		3,228,801,266	3,693,325,197
IAS 1.54(h)	Advances, deposits and prepayments		1,196,927,645	829,368,883
IAS 1.54(n)	Advance income tax		380,437,261	374,697,109
IAS 1.54(h)	Intercompany current account		315,734,692	356,051,064
IAS 1.54(i)	Cash and bank equivalents		331,954,468	1,336,654,791
IAS 1.54(j)	Deferred revenue expenses		3,458,520	-
	Total assets		28,769,857,865	30,186,245,753
	EQUITY AND LIABILITIES			
	Capital and reserves		7,597,590,161	7,480,252,299
IAS 1.5(r), 78(e)	Share capital	3	1,737,914,410	1,737,914,410
	Share premium	4	1,739,583,292	1,739,583,292
IAS 1.55	Revaluation reserve	5	2,087,780,993	2,092,726,250
IAS 1.5(r), 78(e)	Retained earnings	6	2,032,311,466	1,910,028,348
	Liabilities			
IAS 1.71	Non-current Liability		10,052,083,394	10,193,472,916
IAS 1.55	Long term borrowings	7	8,239,473,711	8,397,659,591
IAS 1.55	Lease Liabilities	8	22,621,610	38,946,320
IAS 1.54(o)	Deferred tax liability	9	1,104,015,597	1,076,753,353
	Intercompany Payable		685,972,477	680,113,652
IAS 1.69	Current liabilities		11,120,184,310	12,512,520,538
IAS 1.61	Long term borrowings-current portion		1,750,844,692	1,740,500,152
IAS 1.54(m)	Short term borrowings		6,883,798,759	8,084,230,976
IAS 1.54(k)	Trade and other payables		1,892,872,491	2,296,713,495
IAS 1.54 (l)	Provision for expenses		312,017,163	125,844,073
IAS 1.54 (l)	Income tax provision		280,651,205	265,231,842
	Total liabilities		21,172,267,704	22,705,993,454
	Total equity and liabilities		28,769,857,865	30,186,245,753
	Net Asset Value Per Share	10	42.77	42.08

The annexed notes 1 to 15 form an integral part of these financial statements.

Sd/-
Head of Finance and Accounts

Sd/-
Company Secretary

Sd/-
Managing Director

Sd/-
Director

Sd/-
Chairman

IAS 1.51(a) **BASHUNDHARA PAPER MILLS LIMITED**
IAS 1.10(b),81(b) **Statement of profit or loss and other comprehensive income**
IAS 1.51 (b), (c) **for the quarter ended 30 September 2019**

IAS 1.113	Notes	01-Jul-2019 to 30-Sep-2019	01-Jul-2018 to 30-Sep-2018
IAS 1.51(d), (e)		Amount in Taka	
IAS 1.82(a) Revenue, net		2,552,580,959	2,966,692,890
IAS 1.82(b),103 Cost of sales		(1,949,713,602)	(2,256,736,648)
IAS 1.85 Gross profit		602,867,357	709,956,242
IAS 1.85 Other income		17,312,865	18,718,198
IAS 1.82(b) Administrative expenses		(94,279,373)	(100,435,717)
IAS 1.82(b) Selling & distribution expenses		(73,909,190)	(91,611,290)
IAS 1.82(b) Finance costs		(283,550,114)	(284,117,570)
	Profit before distribution of WPP & WF	168,441,545	252,509,863
IAS 1.99 Workers' profit participation & welfare fund		(8,422,077)	(12,625,493)
IAS 1.85 Profit before tax		160,019,468	239,884,370
IAS 1.82 (d) Income tax expenses		(42,681,607)	(59,971,093)
IAS 12.79 Current tax expense		(15,419,363)	(75,833,030)
IAS 12.81 (d) Deferred tax (expense)/income		(27,262,244)	15,861,937
IAS 1.82(f) Profit after tax		117,337,861	179,913,277
IAS 1.96 Other comprehensive income			
IAS 1.82A(a) <i>Items that will not be reclassified subsequently to profit or loss</i>		-	-
IAS 1.82A(b) <i>Items that may be reclassified subsequently to profit or loss</i>		-	-
IAS 1.83(b) Total Comprehensive Income for the period		117,337,861	179,913,277
IAS 33.66 Earnings per share	11	0.68	1.04

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IAS 1.51(a) **BASHUNDHARA PAPER MILLS LIMITED**
IAS 1.10(c) **Statement of changes in equity**
IAS 1.51(c) **for the quarter ended 30 September 2019**

IAS 1.113	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total Equity
IAS 1.51 (d), (e)	Amount in Taka				
Balance as on 01 July 2018	1,737,914,410	1,739,583,292	2,112,514,322	1,959,489,520	7,549,501,544
Transfer to retained earnings	-	-	(7,752,913)	7,752,913	-
IAS 1.106(a) Total Comprehensive Income for the period	-	-	-	179,913,277	179,913,277
Balance as at 30 September 2018	1,737,914,410	1,739,583,292	2,104,761,408	2,147,155,711	7,729,414,821
Balance as at 01 July 2019	1,737,914,410	1,739,583,292	2,092,726,250	1,910,028,348	7,480,252,300
Transfer to retained earnings	-	-	(4,945,257)	4,945,257	-
IAS 1.106(a) Total Comprehensive Income for the period	-	-	-	117,337,861	117,337,861
Balance as at 30 September 2019	1,737,914,410	1,739,583,292	2,087,780,993	2,032,311,465	7,597,590,161

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Chairman

IAS 1.51(a) **BASHUNDHARA PAPER MILLS LIMITED**
IAS 1.10(d) **Statement of cash flows**
IAS 1.51(b), **for the quarter ended 30 September 2019**
(c)

IAS 1.113	Notes	01-Jul-2019 to 30-Sep-2019	01-Jul-2018 to 30-Sep-2018
IAS 1.113(d), e		Amount in Taka	
IAS 7.10	A) Cash flows from operating activities		
IAS 7.18(a)	Receipts from customers	3,105,712,122	2,984,569,544
	Receipts from other income	12,943,802	3,927,242
		3,118,655,924	2,988,496,785
IAS 7.1(c)	Payment to suppliers, employees & others	(2,086,540,445)	(2,978,344,573)
	Cash generated from operations	1,032,115,478	10,152,212
	VAT paid	(77,745,240)	(97,277,493)
	SD Paid	(6,492,929)	(3,643,752)
IAS 7.35	Income taxes paid	(5,740,153)	(10,176,829)
IAS 7.31	Bank charges and commission	(4,906,564)	(2,506,205)
	Net cash (used in)/ generated by operating activities	937,230,593	(103,452,067)
IAS 7.10	B) Cash flows from investing activities		
IAS 7.16(a)	Payments for property, plant and equipment	(99,145,015)	(72,994,134)
	Receipts/ transfer of capital work-in-progress	(244,404,860)	(729,462,429)
	Net cash (used in)/ generated by investing activities	(343,549,875)	(802,456,563)
IAS 7.10	C) Cash flows from financing activities		
IAS 7.17(c)	Received/ (repayment) of short term borrowings	(1,200,432,218)	(1,178,418,773)
IAS 7.33	Payments of Bank interest and other charges	(279,957,968)	(284,122,094)
	Received/ (repayment) of Intercompany debt	46,175,197	(129,514,993)
	Received/ (repayment) of lease liabilities	(16,324,710)	-
IAS 7.17(d)	Received/ (repayment) of long term borrowings	(147,841,340)	2,450,108,029
	Net cash (used in)/ generated by financing activities	(1,598,381,039)	858,052,169
IAS 7.50(d)	D) Net increase in cash and cash equivalents (A+B+C)	(1,004,700,322)	(47,856,460)
	E) Cash and cash equivalents at the beginning	1,336,654,791	1,519,454,492
	F) Cash and cash equivalents at the end (D+E)	331,954,468	1,471,598,031
	Net Operating Cash Flows per share	5.39	(0.60)

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The annexed notes 1 to 15 form an integral part of these financial statements.

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Chairman

01.00 SELECTED EXPLANATORY NOTES

Amount in Taka	
30-Sep-19	30-Jun-19

These financial statements have been prepared in line with Accounting Policies as adopted in the preparation of financial statements for the period ended from 01 July 2019 to 30 September 2019. The basis of preparation and significant accounting policies governing the quarterly statutory reporting has not been changed from the last reporting date. Hence no policy related general notes are being provided for Q1, 2019-2020 accounts. This interim financial report includes only those selected explanatory notes as were deemed appropriate for better understanding of unaudited financial statements. Certain figures for the Q1, 2018-2019 have been rearranged wherever considered necessary, to ensure better comparability with the current period's financial and to comply with relevant IASs and IFRSs.

01.01 New Standards, Interpretations and Amendments adopted By the Company**IFRS 16 Leases**

IFRS 16 eliminates the earlier operating/finance lease dual accounting model for leases. The change interprets a single accounting model on balance sheet, similar to current finance lease accounting. Issued in January 2016, the new IFRS is replaced the existing guidance in IAS 17 Leases. IFRS 16 is effective from or after 1 January 2019.

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under IFRS 16, BPML recognises right-of-use assets and lease liabilities for all leases.

02.00 RIGHT-OF-USE ASSETS**A. Cost:**

Opening Balance
Add: Reclassification on initial application of IFRS 16 as at 01 January 2019
Less: Addition during the period
Closing Balance

-	-
111,791,600	-
-	-
111,791,600	-

B. Accumulated amortization:

Opening Balance
Add: Reclassification on initial application of IFRS 16 as at 01 January 2019
Add: Charged during the period
Closing Balance

-	-
56,620,475	-
4,200,631	-
60,821,106	-

C. Written down value (A-B)

50,970,494	-
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03.00 SHARE CAPITAL

As per the disclosure requirements laid down in schedule under the rule 12(2) of the Securities and Exchange Rules 1987, the followings are the part and parcel of share capital:

IAS 1.79
(a)(i)**Authorized share capital:**

500,000,000 nos. ordinary shares of Taka 10 each.

5,000,000,000	5,000,000,000
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IAS 1.79
(a)(ii)**Issued, subscribed & paid up:**

173,791,441 nos. ordinary shares of Taka 10 each issued and fully paid-up in cash.
Total

1,737,914,410	1,737,914,410
1,737,914,410	1,737,914,410

3.01 Movement of share capital:

Opening balance
Issuance of ordinary shares during the period
Closing balance

1,737,914,410	1,737,914,410
-	-
1,737,914,410	1,737,914,410

3.02 Position of shareholding

3.02.1 Percentage of Shareholders

Name of shareholders	30-Sep-19		30-Jun-19	
	Nos. of Shares	Percentages of holdings	Nos. of Shares	Percentages of holdings
Mr. Ahmed Akbar Sobhan	4,000,000	2.30%	4,000,000	2.30%
Mrs. Afroza Begum	5,885,200	3.39%	5,885,200	3.39%
Mr. Sadat Sobhan	8,203,000	4.72%	8,203,000	4.72%
Mr. Shafiat Sobhan	8,203,000	4.72%	8,203,000	4.72%
Mr. Sayem Sobhan	8,203,000	4.72%	8,203,000	4.72%
Mr. Safwan Sobhan	8,203,000	4.72%	8,203,000	4.72%
Mr. Md. Imrul Hassan	4,002,000	2.30%	4,002,000	2.30%
East West Property Development (Pvt.) Ltd. Represented by-Mr. Md. Nazmul Alam Bhuiyan	101,050,575	58.14%	101,050,575	58.14%
General public and institutions	26,041,666	14.98%	26,041,666	14.98%
Total	173,791,441	100%	173,791,441	100%

3.02.2 Classification of shareholder's by holding range

	No of Share holders		No of shares	
	30-Sep-19	30-Jun-19	30-Sep-19	30-Jun-19
1-500 shares	12,080	12582	1,644,856	1,715,224
501 to 5,000 shares	3,924	3845	6,986,030	6,760,033
5,001 to 10,000 shares	429	406	3,086,577	2,975,198
10,001 to 20,000 shares	219	236	3,085,724	3,325,912
20,001 to 30,000 shares	88	92	2,106,615	2,171,206
30,001 to 40,000 shares	25	27	870,594	916,993
40,001 to 50,000 shares	22	27	999,061	1,218,565
50,001 to 100,000 shares	30	36	2,229,037	2,598,112
100,001 to 1,000,000 shares	25	23	5,033,172	4,360,423
1,000,001 to 1,000,000,000 shares	7	7	147,749,775	147,749,775
Total	16,849	17,281	173,791,441	173,791,441

04.00 SHARE PREMIUM

Opening Balance
Add: Addition during the period
Less: Adjustment during the period
Closing Balance

Amount in Taka	
30-Sep-19	30-Jun-19
1,739,583,292	1,739,583,292
-	-
-	-
1,739,583,292	1,739,583,292

- 4.01 In the year 2017-18 the Company issued 26,041,666 ordinary shares, from which 60% i.e. 15,625,000 ordinary shares for Eligible Investors (EIs) at cut-off price of Tk. 80.00 at a premium Tk. 70 and remaining 40% i.e. 10,416,667 ordinary shares at a 10% discounted from the cut-off price of Tk. 72.00 per share at a premium Tk. 62 for General Public including NRB and Others totaling Tk. 2,000,000,000 (approx.)

IAS 1.106(d) 05.00 REVALUATION RESERVE

IAS 1.106 A Opening Balance
Add: Increase arising on revaluation of properties
Less: Transferred to retained earnings
Closing Balance

2,092,726,250	2,112,514,322
-	-
(4,945,257)	(19,788,072)
2,087,780,993	2,092,726,250

IAS
1.106(b),
(d)
IAS 106 A

06.00 RETAINED EARNINGS

Opening balance	
Add: Profit attributable to the owners of the Company	
Transferred from properties revaluation reserve	
Less: Adjustment for current tax of prior years	
Final dividend for the year 2017-2018	
Closing balance	

Amount in Taka	
30-Sep-19	30-Jun-19
1,910,028,348	1,959,489,520
117,337,861	291,848,486
4,945,257	19,788,072
-	(13,514,849)
-	(347,582,882)
2,032,311,466	1,910,028,348

IFRS 7.8 (f)

07.00 LONG TERM BORROWINGS

Bank loan:

LTR (long term)-Janata Bank Ltd.	
Project Loan-Janata Bank Ltd.	
Term loan-Southeast Bank Ltd.	
Term Loan-Basic Bank Ltd.	
Term loan-Mercantile Bank Ltd.	
Term loan-National Bank Ltd.	
Term loan- IFIC Bank Ltd.	
Term loan- Shahjalal Islami Bank Ltd.	
Term loan-Standard Bank Ltd.	
Total Long Term borrowings	
Less: Current portion of long term borrowings	
Due after one year	

224,956,575	606,111,135
592,856,994	231,593,670
1,513,807,790	1,539,610,341
379,423,911	408,624,109
2,299,253,625	2,345,930,635
2,075,963,489	2,079,575,732
841,633,672	853,968,851
913,193,333	911,552,222
1,038,182,948	1,055,940,748
9,879,272,337	10,032,907,444
(1,639,798,626)	(1,635,247,853)
8,239,473,711	8,397,659,591

08.00 LEASE LIABILITIES

Finance Lease obligation:

Islamic Finance & Investment Ltd.	
GSP Finance Company (BD) Ltd.	
Total lease liabilities	
Less: Current portion of lease liabilities	
Due after one year	

41,635,185	43,089,327
92,032,491	101,109,292
133,667,676	144,198,619
(111,046,066)	(105,252,299)
22,621,610	38,946,320

09.00 DEFERRED TAX (ASSETS) / LIABILITIES

Deferred tax assets and liabilities have been recognized and measured in accordance with the provisions of IAS 12: Income Taxes. The following is the analysis of deferred tax (assets)/liabilities presented in the statement of financial position:

Opening balance	1,076,753,353	957,392,014
Provided during the period:	27,262,244	119,361,339
Deferred tax income	387,837	(75,485,710)
Deferred tax expense	26,874,406	194,847,049
Adjustment made during the period	-	-
Closing balance	1,104,015,597	1,076,753,353

As at September 30, 2019	Accounting base Carrying Amount	Tax base	Temporary Difference
Property, Plant and equipment	10,423,598,145	(6,680,510,469)	3,743,087,676
Intangible assets	164,894,961	(134,493,578)	30,401,383
Pre-operating expenses	-	(62,982,111)	(62,982,111)
Unused tax loss carry forward	-	(196,549,872)	(196,549,872)
Difference for vehicle	-	(5,072,945)	(5,072,945)
Net taxable temporary difference	10,588,493,106	(7,079,608,975)	3,508,884,131
Applicable tax rate			25%
Deferred tax liability-30 September 2019			877,221,033
Deferred tax liability-30 June 2019			(851,493,978)
Deferred tax expense/ (income) for the period			25,727,055

As at June 30, 2019	Accounting base Carrying Amount	Tax base	Temporary Difference
Property, Plant and equipment	10,627,228,338	(6,882,986,673)	3,744,241,665
Intangible assets	166,798,327	(137,948,293)	28,850,034
Pre-operating expenses	-	(59,833,006)	(59,833,006)
Unused tax loss carry forward	-	(301,942,839)	(301,942,839)
Difference for vehicle	-	(5,339,942)	(5,339,942)
Net taxable temporary difference	10,794,026,665	(7,388,050,753)	3,405,975,913
Applicable tax rate			25%
Deferred tax liability-30 June 2019			851,493,978
Less: Deferred tax liability-30 June 2018			(732,132,639)
Deferred tax expense/ (income) for the year			119,361,339

10.00 NET ASSET VALUE (NAV) PER SHARE

Total Assets	28,769,857,865	30,186,245,753
Less: Intangible Assets	(164,894,961)	(166,798,327)
Total Liabilities	(21,172,267,704)	(22,705,993,454)
Net Asset Value (NAV)	7,432,695,200	7,313,453,972
Weighted Average Number of Ordinary shares outstanding during the period	173,791,441	173,791,441
Net Asset Value (NAV) Per Share	42.77	42.08

Amount in Taka	
30-Sep-19	30-Jun-19
28,769,857,865	30,186,245,753
(164,894,961)	(166,798,327)
(21,172,267,704)	(22,705,993,454)
7,432,695,200	7,313,453,972
173,791,441	173,791,441
42.77	42.08

IAS 33.70

11.00 EARNINGS PER SHARE (EPS)

Profit attributable to the Ordinary Shareholders	117,337,861	179,913,277
Weighted Average Number of shares	173,791,441	173,791,441
Basic Earnings Per Share	0.68	1.04

Amount in Taka	
01-Jul-2019 to 30-Sep-2019	01-Jul-2018 to 30-Sep-2018
117,337,861	179,913,277
173,791,441	173,791,441
0.68	1.04

11.01 Diluted Earnings Per Share

No diluted EPS was required to be calculated for the year since there was no scope for dilution of share during the year under review.

Profit attributable to the Ordinary Shareholders	117,337,861	179,913,277
Total Number of shares	173,791,441	173,791,441
Diluted Earnings Per Share	0.68	1.04

117,337,861	179,913,277
173,791,441	173,791,441
0.68	1.04

11.02 Total Number of Ordinary Share outstanding

Opening number of shares outstanding	173,791,441	173,791,441
Add: Ordinary shares issued during the period	-	-
Total	173,791,441	173,791,441

173,791,441	173,791,441
-	-
173,791,441	173,791,441

12.00 NET OPERATING CASH FLOW (NOCFPS) PER SHARE

Net Operating Cash Flows	937,230,593	(103,452,067)
Weighted Average Number of Ordinary shares outstanding	173,791,441	173,791,441
Net Operating Cash Flows per share	5.39	(0.60)

937,230,593	(103,452,067)
173,791,441	173,791,441
5.39	(0.60)

		Amount in Taka	
		01-Jul-2019 to 30-Sep-2019	01-Jul-2018 to 30-Sep-2018
IAS 7.18(b)	13.00 RECONCILIATION OF OPERATING CASH FLOW WITH NET PROFIT		
	Total Comprehensive Income for the period	117,337,861	179,913,277
	Adjustment for:		
	Income tax expense recognized in profit and loss	42,681,607	59,971,093
	Workers' profit participation & welfare fund	8,422,077	12,625,493
	Amortization of intangible assets	1,903,366	1,903,932
	Depreciation of non-current assets	296,511,349	234,335,403
		466,856,259	488,749,198
	Adjustment for separate consideration		
	Finance cost recognized in profit and loss	278,643,550	281,611,365
	Movements in working capital:		
	(Increase)/decrease in deferred revenue expenses	(3,458,520)	-
	(Increase)/decrease in inventories	327,049,136	(578,770,680)
	(Increase)/decrease in trade and other receivables	464,523,931	(97,835,547)
	(Increase)/decrease in advance, deposit and prepayment	(367,558,761)	(413,707,715)
	Increase/(decrease) in trade payables & other payables	(410,572,357)	11,541,681
	Increase/(decrease) in provision for expense	187,487,508	215,136,460
	Cash generated from operations	197,470,936	(863,635,800)
IAS 7.35	Income taxes paid	(5,740,153)	(10,176,829)
	Net cash (used in)/ generated by operating activities	937,230,593	(103,452,067)

14.00 SIGNIFICANT DEVIATIONS

- 14.01 Earnings per share (EPS) decreased for lower profit after tax from same period of previous year. Decline in profit is driven by lower sales volume, increase in utility costs and other overhead costs, increase in bank interest rate, increased in depreciation expenses particularly.
- 14.02 Net Operating cash flow per share (NOCFPS) increased from same period previous year because of decrease in higher inventory purchase and increased in collection of trade and other receivables.

15.00 EVENTS AFTER THE REPORTING PERIOD

There are no other events identified after the date of the 1st quarter statement of financial position which require adjustment or disclosure in the accompanying financial statements